



Letter from the Chair

Dominic Barton
Chair of the Board

To the Shareholders

It is a rare opportunity to be asked to help lead a company that is both so rich in history and so well positioned for future growth.

I would like to start by thanking Teck's Chairman Emeritus, Dr. Norman B. Keevil — truly a legendary figure in the global mining industry and in Canada's business community. His leadership over close to five decades has built Teck into a leading Canadian-based mining company and a key international player in the resource sector. His book, *Never Rest on Your Ores*, outlining his experiences building Teck, provides timeless guidance for us and other organizations — emphasizing ore reserves, a strong balance sheet and a focus on talent. I strongly recommend it to anyone interested in mining or in building a successful business.

I am fortunate to join Teck at a pivotal time in the company's history. Dr. Keevil's legacy of mine-building and Don Lindsay's leadership as CEO have placed Teck in a strong position as we look to the future.

First, we have an enviable portfolio of world-class assets in stable jurisdictions and a solid pipeline of projects for growth, particularly our recently sanctioned Quebrada Blanca Phase 2 project (QB2). QB2 is a very large copper resource that has the potential to fuel decades of copper production growth for Teck. This comes at a time when the increasing use of electric vehicles, alternative energy and electrification are driving global copper demand ever higher, outpacing historical supply sources.

Second, Teck has further strengthened its balance sheet, lowering debt levels, while at the same time prudently investing in growth opportunities that will generate even greater value in the years ahead.

Third, Teck has a deep commitment to sustainability. We are investing significantly to maintain and improve water quality, reduce fresh water use and decrease our carbon emissions. Across our operations our employees are focused on responsibly producing materials while being good neighbours to the communities in which we operate.

Fourth, Teck has built a culture that attracts top talent and gives people a platform to succeed. Our employees are generating ideas that are reshaping how we mine. Ideas like smart shovels that scan each load to separate valuable ore from waste rock, or using machine learning to anticipate equipment maintenance issues before they actually happen. Across the company, our people are putting innovation and technology to work to strengthen safety, enhance sustainability, improve productivity and grow our business.

Foundational to all of this are Teck's strong values of safety, integrity, excellence, sustainability, respect and courage. These values guide every decision we make as a company and set the standard for everything we do. The strength of Teck's values shines through in our work to build relationships with Indigenous Peoples, support thriving communities and advocate for important environmental initiatives. These values will ensure we continue to do the right thing for communities and the environment while working to raise the bar for responsible development across our industry.

I first got to know Teck when I was invited to participate in strategic meetings a decade ago. While the company was taking the steps necessary to manage critical issues at hand — namely, the recovery from the global financial crisis — it was also firmly focused on building for the long term. I have learned that the most successful companies need this type

of dual vision, which I liken to having a microscope in one eye and a telescope in the other. It is the essential combination of making certain that short-term performance is consistently strong while also setting up for, and not losing sight of, the long-term goals that go into making a great company.

Today, I am energized by the opportunities ahead of us. While we know we will continue to experience fluctuations in the global economy, there are unwavering positive forces driving changes that will have the potential to benefit the company and its shareholders for years to come.

Take the growing middle class as an example. In the next 15–20 years, there will be two billion new middle-class consumers in the world. At the same time, the world is becoming more urbanized, with 1.2 million people moving each week from rural areas to cities. The scale of this demographic shift is unmatched in human history. The world is very short on infrastructure, not only in Asia and Africa but also North America. It is estimated that we will need over \$50 trillion in new and improved infrastructure over the next 30 years. This and the improved standard of living that this new middle class are seeking will require the commodities we produce, driving even greater demand growth.

The global transition to a cleaner economy — renewable energy generation, increasing electrification and the mobility revolution — will also depend on a backbone of mined products. For example, zero-emission vehicles on average require four times as much copper as conventional vehicles, and renewable energy systems can require 12 times as much copper as traditional systems.

When you consider all of this, one thing is evident: the metals and minerals we produce matter. They matter today, and they will matter even more tomorrow for the continued advancement of humanity.

I would also like to thank retiring board member Warren Seyffert for his nearly 30 years of service to Teck. He has been a terrific coach to me. I am also pleased to report that Dr. Keevil has been named our Chairman Emeritus and will act as a special advisor to the Board. His experience in the industry will no doubt prove invaluable to us going forward because, as Dr. Keevil likes to quote Mark Twain, “History doesn’t repeat itself, but it often rhymes.”

In closing, I am excited to work with the Board of Directors and, in particular, our CEO Don Lindsay to continue to build a leading Canadian-based mining champion focused on creating long-term, sustainable value.



Dominic Barton
Chair of the Board
Vancouver, B.C., Canada
February 12, 2019



Outgoing Chairman Norman Keevil welcomed Dominic Barton as the incoming Chair and new “prospector in chief” in October 2018, passing him a symbolic, silver-plated prospector’s pick. The painting is of the early open pit at the Temagami copper mine in Ontario.